

## **Campbell Introduces Bill to Reduce Commercial Property Insurance Prices**

**Washington** – Representative John Campbell (R-CA) and Representative Peter Welch (D-VT) have introduced H.R. 2126, the Risk Retention Modernization Act to allow risk retention groups (RRGs) and risk purchasing groups (RPGs) to expand their insurance offerings to include commercial property coverage. This legislation would encourage increased competition in premiums and significantly lower the rates consumers, especially small businesses, pay in places where coverage is currently very limited and relatively unaffordable.

Over the last thirty years, the self-insurance insurance model has become an increasingly important and sometimes necessary option for businesses and RPGs alike. In 2005, the Government Accountability Office (GAO) endorsed the RRG/RPG model, and highlighted a direct correlation between self-insurance and the availability and affordability of commercial liability insurance for a diverse range of groups. The Campbell-Welch Risk Retention Modernization Act builds on this success, allowing consumers to take advantage of the self insurance option to insure their property, which will provide additional risk mitigation alternatives at lower costs.

Upon introduction, Rep. John Campbell remarked, **“This bill addresses a critical need in commercial insurance for business entities. Allowing commercial property owners to self-insure will stabilize prices, increase coverage availability in the marketplace, and, in turn, increase competition”**. He added, **“This is a long overdue expansion of the successful self-insurance model.”**

“For too long the industry has had to operate in a confusing regulatory environment,” Rep. Peter Welch said. “This bill will finally provide consistency and clarity, which will increase efficiency, boost competition and save businesses and consumers money.”

H.R. 2126 currently awaits consideration in the House Committee on Financial Services.

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Thursday, 16 June 2011 09:04

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